M E M O R A N D U M

TO: State Agencies

FROM: OA/Accounting

DATE: May 26, 2005

RE: Notification Regarding the Purchase Order Rollover Process

In June of each year, the Office of Administration provides agencies with the opportunity to roll eligible purchase orders from the current fiscal year to the new fiscal year through the Purchase Order Rollover Process (PORL). Agencies use the SAM II Financial PORL table and the Outstanding Purchase Order reports to identify eligible purchase orders. This memorandum supplies agencies with the information needed to participate in the PORL process.

The Purchase Order Rollover (PORL) table will be open Wednesday, June 1 for Purchasing staff access and will close Wednesday, June 29, 2005. To assist agencies with the setting of the PORL table, the following Purchase Order Rollover reports are being posted to MOBIUS on June 1, 2005:

- OFN118R1 (Outstanding Purchase Orders for Regular Appr)
- OFN118R2 (Outstanding Purchase Orders for Continuing Appr)
- OFN118R3 (Outstanding Purchase Orders for Non-Appropriated Funds)

Please review these reports and determine if your agency's purchase orders should lapse (L), roll (R), or if no action (N) should be taken. For annual appropriations and non-appropriated funds, purchase orders must either lapse (L) or roll (R). For biennial appropriations, purchase orders must lapse (L). In order for a purchase order to roll (R), the **exact** accounting distribution on the FY05 purchase order must exist in FY06.

The default option for the PORL table is lapse (L). Your agency does **not** have to enter an "L" in the Action field for purchase orders to lapse. However, if you elect to enter an "L" by the purchase orders that you want to lapse, your agency can review the PORL table by vendor and verify that there was a conscious decision made for each purchase order and verify that the setting is correct.

If you want the purchase order to roll (R), you **must** update the PORL table.

To update the PORL table:

> ➢ Go to the PORL table.
> ➢ Enter the vendor number and purchase order number.
> ➢ Perform a "Browse". The associated purchase order will display.
> ➢ Enter an "R" (roll) in the "Action" column by the purchase order.
>   Please note: An "L" (lapse) can be entered if desired.
> ➢ Perform a "Modify/Change".

If the action field is not updated with an "R", the purchase order will lapse in FY05.

If a State agency has an outstanding purchase order that includes items recorded in the inventory subsystem, the purchase order must be canceled or modified to zero by the State agency. The PORL job cannot be used to roll or lapse purchase orders that contain inventory items because the On Order Quantity is not reduced unless the purchase order is modified to zero or closed.

Key Points

- The exact accounting distribution on the FY05 purchase order must exist in FY06.

- If an "R" is not entered in the "Action" column and the PORL table updated for this action, the purchase order will lapse in FY05. We recommend that you verify the settings are correct on the PORL table for each purchase order after you have completed entering the "R". Remember that if the "R" is not in the "Action" field when the PORL job is run, the purchase order will lapse.

- If any purchase order contains coding other than as documented above, it will be changed to "L" by OA/Accounting and the purchase order will lapse during the PORL job.

- FY05 and FY06 FAIT table entries must exist on the FAIT table for any reporting category referenced on a FY05 purchase order that you want to roll to FY06.

- The grant, job, or project must be open if it is referenced on a FY05 purchase order that you want to roll to FY06.

- All Purchase Orders with an annual appropriation, a biennial appropriation, or a non-appropriated fund must either roll or be disencumbered prior to the opening of the new fiscal year.

- OA/Accounting will correct P1 documents that reject from the PORL job.

- Rollover (RO) documents that reject after the PORL run will be deleted from SUSF.

- If the RO document rejects, the purchase order will have to be manually set up by your agency in FY06.

The ability to roll purchase orders from one fiscal year to the next is a great benefit to the State agencies. OA wants to continue providing this service. However, the benefits to the State are minimized if the system is down for additional days to correct PORL errors. OA monitors PORL errors. If an agency does not comply with the above guidelines, OA will deny the agency access to the PORL table at the end of FY06.

On an ongoing basis, please ensure that your agency has procedures in place to:

- Ensure that there are no outstanding purchase orders associated with a specific FAIT table entry prior to deleting the table entry. Disencumber a purchase order or modify it to change the order to reference another reporting category prior to deleting an entry from the FAIT table.

- Ensure that there are no outstanding purchase orders associated with a specific grant/job/project prior to closing the grant/job/project. Disencumber the purchase order or modify it to change the reporting category/job/project number referenced on the purchase order prior to closing a grant/job/project.

An agency must ensure that each purchase order is in compliance with the above guidelines prior to requesting the roll of the purchase order. If a purchase order does not roll during the PORL process, then the agency must manually set up the purchase order in the new year. It will be the agency's responsibility to determine why a purchase order did not roll during the rollover process. OA/Accounting will not perform the research for your agency to determine why a purchase order did not roll.

If you have any questions, please contact your Agency Customer Service Coordinator. Your Agency Customer Service Coordinator will contact OA/Accounting if he/she needs assistance.